



OFFICE OF RESEARCH AND SPONSORED PROGRAMS
UNIVERSITY OF WISCONSIN-WHITTEWATER

USE OF RECOVERED INDIRECT COST FUNDS

MAY 18, 2015

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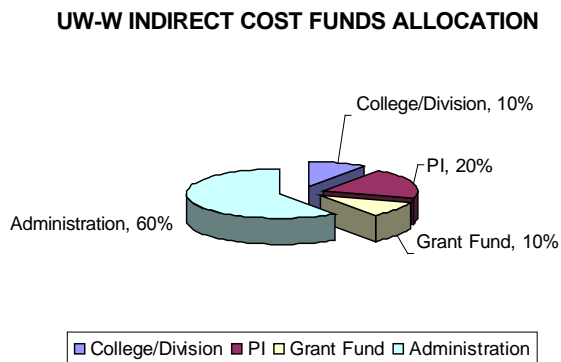
PURPOSE

The purpose of the UW-W *Use of Recovered Indirect Cost Funds* policy is to establish guidelines for the use and distribution of recovered indirect cost funds. Campus administration seeks to ensure that there is adequate support for Colleges/Divisions and faculty/staff engaged in sponsored projects and grant seeking.

DISTRIBUTION AND USE OF RECOVERED INDIRECT COSTS AT UW-WHITTEWATER

The following guiding principles govern the formal policy:

- The campus formula is designed to support institutional costs associated with the acquisition of extramural grants and grant seeking incentives. The current proposed distribution is: 20% of allocation to the principal investigator(s), 10% to the College/Division, 10% to a centralized pool to support seed grants and related activity, and 60% to an institutional administrative account. The graph below outlines the allocation of indirect costs.



- Funding to the College/Division and centralized pool must support research/seed grants, equipment maintenance, research release, and related activities.
- The College/Division share will be managed by the Dean/Division Director. Funds will be used to support research, particularly to provide incentives for activities likely to generate new indirect cost recovery.
- The Office of Research and Sponsored Programs will develop and distribute indirect cost recovery fund management and expenditure guidelines. Principal Investigators and Colleges/Divisions must submit an annual report outlining how indirect costs have been spent throughout the year as well as a proposed spending plan for how remaining funds will be used during the next fiscal year. Funds that have not been spent and are not included in the spending plan may be returned to the centralized seed grant pool.
- Indirect cost allocations to individual Principal Investigators and Colleges/Divisions will be allocated and tracked by Financial Services.

- The Office of Research and Sponsored Programs will manage the centralized grant fund pool supporting seed grants and related activity.
- No indirect costs will be distributed to the principal investigator, College/Division, or centralized grant fund until all institutional administrative obligations associated with the acquisition of extramural funds are fulfilled.
- The campus' share of revenue generated by technology transfer license agreements will be handled in the same manner as funds associated with indirect cost recovery.

PRINCIPAL INVESTIGATOR(S) COST ALLOCATION GUIDANCE

Based on this policy, principal investigator(s) that recover indirect costs through sponsored research and scholarly activity will receive 20% of the recovered funds. The purpose of this funding is to assist the principal investigator(s) with current and/or future grant activities. Appropriate uses of these funds include:

1. Payment of matching fund requirements (if permitted under the grant program);
2. Funding project cost overruns and/or unforeseen circumstances, such as audit expenses and short-term revenue shortfalls;
3. Continuing maintenance expenses and service contracts on equipment used on grants and contracts;
4. Travel directly related to current grant programs or that can be reasonably expected to generate new or additional grants and contracts;
5. Conducting pre-feasibility studies for future programs;
6. Providing carryover funding for research to provide continuity between externally funded projects;
7. Costs that are not permitted by a particular grant or contract;
8. Purchasing computer software and/or hardware;
9. Providing summer salary, or supplementing salary while on sabbatical leave, provided such salary is related to current and/or future sponsored program activities (some restrictions may apply);
10. Providing incentive compensation, up to a maximum of 50% of base salary;
11. Equipment purchases that directly support an ongoing grant(s) or contract(s); and
12. Other expenditures that clearly do or will provide a benefit to a grant, contract, and/or future sponsored program agreement.

The list above is not intended to be an all-inclusive list of potential uses of these funds. However, it is anticipated that these funds will not be used for general operating expenses. It is anticipated that indirect costs may be used to supplement other sources of funding, not supplant.

INDIRECT COST RECOVERY FUNDS SPENDING PLAN SUBMISSION TIMELINE

Financial Services will distribute indirect cost funds to Principal Investigators and Colleges/Divisions in February of each year. Principal Investigators and Colleges/Divisions with recovered indirect costs must submit plans to spend recovered funds annually. Plans must be based on a fiscal year (July 1st through June 30th).

Spending plans are due by May 1st of each year and should cover the following fiscal year. Spending plans should be sent via email to the Director of Research and Sponsored Programs. At a minimum, spending plans must include:

1. A brief description of the source of recovered funds (i.e., original grant project, sponsor award identification number, etc.);
2. The org and project code(s) for the Principal Investigator's or College/Division's recovered indirect cost funds;
3. The estimated balance as of July 1st obtained from Financial Services; and
4. Plans to spend the funds in the upcoming fiscal year. Principal Investigators and Colleges/Divisions are expected to spend their entire allocations by the end of the fiscal year. Multi-year spending plans will be considered on a case-by-case basis.

A response to the Principal Investigator's and/or College's/Division's plans will be given within 30 calendar days of receipt. Unused funds may be 'swept' from the Principal Investigator and/or College/Division and returned to the centralized grant pool.

UNIVERSITY OF WISCONSIN-WHITEWATER INDIRECT COST RECOVERY SPENDING PLAN

| | | | |
|--------------------------|--|---|------------------------------|
| Name: | | Amount Available (as of July 1): | |
| Division/College: | | This plan is: | |
| Org/Project Code: | | PI Plan | Division/College Plan |

| Amount | Planned Use / Justification |
|--------|-----------------------------|
| \$ - | |
| \$ - | |
| \$ - | |
| \$ - | |
| \$ - | |
| \$ - | |
| \$ - | |
| \$ - | |
| \$ - | |
| \$ - | |
| \$ - | TOTAL |

ADDITIONAL DETAILS: Provide additional information (e.g., timeframe for spending, justification if all funds will not be spent by the end of the fiscal year).

OUTCOMES: Based on the plans above, what are the anticipated outcomes associated with the use of these funds?

Please submit this form via email to the Director of Research and Sponsored Programs by May 1, 2016.